

HOUSE BILL No. 1710

DIGEST OF INTRODUCED BILL

Citations Affected: IC 26-1-3.1-502.5.

Synopsis: Dishonored check charges. Prohibits a bank from charging a fee for a dishonored check to any party other than the maker or drawer of the check.

Effective: July 1, 2007.

Herrell

January 26, 2007, read first time and referred to Committee on Financial Institutions.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1710

A BILL FOR AN ACT to amend the Indiana Code concerning commercial Law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 26-1-3.1-502.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 502.5. **(a) Except as**
3 **provided in subsection (b)**, a person to whom a check, a draft, an
4 order, or like instrument is tendered may, if the instrument is
5 dishonored or returned unpaid for any reason, charge and collect from
6 the maker or drawer, or the person for whose benefit the instrument
7 was given, an amount not to exceed twenty dollars (\$20) plus an
8 amount equal to the actual charge by the depository institution for each
9 returned or dishonored instrument. The charge shall not be considered
10 an interest charge, a finance charge, a time price differential, or any
11 charge of a similar nature.

12 **(b) If a check is dishonored, a bank may not charge any party**
13 **other than the maker or drawer of the check a fee in connection**
14 **with the dishonoring of the check.**



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